

(THE HON'BLE SRI H. C. DASAPPA). State Government should be identical with those of the Central Government.

Janab J. MOHAMED IMAM.—But that is the very factor that has caused all this mischief. So may I suggest to the Government to take up this matter with the Central Government firstly because of the differences in the scales of dearness allowance and secondly because.....

Mr. SPEAKER.—Question time is not the occasion to make suggestions.

Janab J. MOHAMED IMAM.—And secondly because of the fact that they have taken a good slice of our revenues, is it not a fit matter to be taken up with the Central Government seriously?

The Hon'ble Sri H. C. DASAPPA.—I think it is a very good matter to be taken up and I suggest that the representatives of the Mysore State on the Parliament may take it up.

Mr. SPEAKER.—This one question has taken up already 15 minutes.

Investments by Government in Industries and percentage of return.

Q.—164. Sri C. R. BASAPPA (Tumkur District—General).—

Will the Government be pleased to state :—

the total capital invested by the Government in industries and the percentage of profit or income derived from them?

A.—The Hon'ble Sri H. C. DASAPPA (Minister for Finance and Industries).—Reference is invited to pages 72 and 76 of the Budget Memorandum, 1951-52.

Sri C. R. BASAPPA.—Will the Hon'ble Minister state what those Industries which yield larger profit are?

* The Hon'ble Sri H. C. DASAPPA.—There is an exhaustive statement in pages 72 and 76 of the Budget Memorandum about Government commercial concerns on the one hand and about those concerns in which Government own shares. It is a perfectly exhaustive statement. The latest position is given in the Budget Memorandum. All the necessary information is found

there and you can draw your own conclusions.

Sri C. R. BASAPPA.—I have not got the Budget Memorandum before me. Will it be possible just now for the Government to give what the total capital investment in the different industries is?

The Hon'ble Sri H. C. DASAPPA.—Does the Hon'ble member want information as to the shares taken by the Government in the concerns or about the concerns completely owned by Government?

Sri C. R. BASAPPA.—I would like to have information as to the total capital invested in the industries.

The Hon'ble Sri H. C. DASAPPA.—The total has got to be made up out of the figures given on page 76. I can pass on the whole memorandum to the Hon'ble Member.

Sri G. A. ACHARYA (Bangalore District—General).—Does the Hon'ble Minister assure us that there is some return at least on the total capital invested in the industries?

The Hon'ble Sri H. C. DASAPPA.—All that is found in page 76.

Allocation of Public Debt between the State and the Central Government.

Q.—16. Sri M. GOVINDA REDDY (Chitaldrug District—General).—

Will the Government be pleased to state :—

(a) whether allocation of public debt has been made between the State and the Central Governments;

(b) the proportion in which it is to be shared by both the Governments?

A.—The Hon'ble Sri H. C. DASAPPA (Minister for Finance and Industries).—

(a) Yes.

(b) Out of the net Public Debt of about Rs. 12 crores, Government of India have agreed to take over 4.70 crores.

Sri M. GOVINDA REDDY.—Will the Government consider that Rs. 4.70 crores which the Central Government have agreed to take over as their share of the debt is quite satisfactory?

The Hon'ble Sri H. C. DASAPPA.—Well, Sir, I can say from a consideration of all the relevant facts that the sum of 4.7 crores is quite reasonable.

Sri M. GOVINDA REDDY.—Is it not far less in proportion to the value of assets that we have passed over to the Central Government?

The Hon'ble Sri H. C. DASAPPA.—No. It exactly fulfils the formula laid down in the Federal Financial Agreement, that we must share in proportion to the productive assets that have gone over to the Centre and those that have remained over with the State.

Sri M. GOVINDA REDDY.—May I know the value of the productive assets handed over to the Centre?

The Hon'ble Sri H. C. DASAPPA.—I cannot exactly tell the Hon'ble Member in what proportion Rs. 4.7 crores is to the productive assets. I want notice for that. But I can tell the Hon'ble Member that it is exactly the same proportion as it bears to the productive assets taken over. We have got our productive assets and we know what productive assets have gone over to the Centre. So in proportion to that we have shared these public debts.

Sri M. GOVINDA REDDY.—At the time of the Federal Financial Agreement, was it not the understanding between this Government and the Government of India that we should share the public debt in proportion to the productive assets?

The Hon'ble Sri H. C. DASAPPA.—That is exactly what has been done.

Sri M. GOVINDA REDDY.—Is not Rs. 4.70 crores far below the proportion?

The Hon'ble Sri H. C. DASAPPA.—No. If anything, it is trifle better.

Sri M. GOVINDA REDDY.—How does this proportion compare with the proportion of the public debt shared by the Centre with the other States?

The Hon'ble Sri H. C. DASAPPA.—I have not examined that position. But I have no reason to believe that any other part B State has fared better than Mysore State in this respect.

Sri M. GOVINDA REDDY.—Is there room for further negotiating in order to enhance this proportion borne by the Central Government?

The Hon'ble Sri H. C. DASAPPA.—I think the matter is fairly well concluded.

Sri A. BHEEMAPPA NAIK (Chitaldrug District—General).—Who has evaluated these assets? Is it the Central Government or the Mysore Government?

The Hon'ble Sri H. C. DASAPPA.—Together we have done it. They are assets taken over, like Railways, Akashvani and Telephones and we have also our productive assets; and in this connection I may say that they have treated the Jog and the Krishnarajasagara Works as productive assets. But—I must say this—they have not taken the entire booked value of the expenditure incurred on the Jog Electric Scheme and the Krishnarajasagara Works. They have taken the return from the Krishnarajasagara Works and worked out the capital. So actually out of the total moneys we have spent they have given up nearly 3 crores of Krishnarajasagara works capital expenditure. They have treated it as totally unproductive because of the low yield of the Krishnarajasagara Works; likewise in respect of the Jog, they have not taken all the value. They have excluded as much as 5 crores of rupees and treated it as unproductive. So it is a distinctive advantage to us.

Sri A. BHEEMAPPA NAIK.—The Government of India have taken over very good productive works such as Railways which give enormous profits. Have they calculated the value of Railways to the same extent as other productive assets?

The Hon'ble Sri H. C. DASAPPA.—No; I have answered that quite a number of times on the floor of this House. They have taken the book value of the Railway assets as per the Federal Financial Agreement.

Sri A. BHEEMAPPA NAIK.—I am just putting a question whether the percentage of return in the case of Railways should not have been taken into account as in the case of other productive works?

The Hon'ble Sri H. C. DASAPPA.—That was discussed threadbare and *ad nauseam* on the question raised by Sri L. Siddappa. The agreement was

(THE HON'BLE SRI H. C. DASAPPA). that so far as the assets are concerned their book value must be taken and where the returns are very poor there some relief must be given. Accordingly in the case of the Jog and the Krishnarajasagara Works relief has been given.

Sri A. BHEEMAPPA NAIK.—Was there any agreement that where returns are very high some consideration about the increased value of the assets should be given and the assets evaluated?

The Hon'ble Sri H. C. DASAPPA.—I have said "No".

Sri A. BHEEMAPPA NAIK.—Will such an agreement be in the interest of Mysore?

The Hon'ble Sri H. C. DASAPPA.—You must take an overall picture and come to a decision. After all for one or two years we may have very good returns from Railways. But the Government of India would be thinking of what their own commitments would be by way of increased salaries, increased dearness allowance and so on which may not permit them to enjoy more returns from the Railways as we have been enjoying. By and large that picture was taken into consideration and we have evolved a formula which we feel is fair enough and further the Government of India would have asked to evaluate our Hydro-Electric Works excluding Jog also on the basis of revenue.

Sri A. BHEEMAPPA NAIK.—Is not a good slice of the income taken away and has it not thereby affected our budgetary position to a great extent?

Mr. SPEAKER.—That has been discussed a number of times.

Sri G. A. ACHARYA (Bangalore District—General).—Between the book value and the value estimated by the Centre, what is the difference in respect of the Krishnarajasagara Works?

The Hon'ble Sri H. C. DASAPPA.—About 3 to 3½ crores; that is what has been treated as unproductive.

Mushir-ul-Mulk J. MOHAMED IMAM (Chitaldrug cum Tumkur—Muslim).—Who has been paying interest on this amount, viz., 4-70 crores till now?

The Hon'ble Sri H. C. DASAPPA.—From 1st April 1950 the liability is theirs.

Janab J. MOHAMED IMAM.—Can the Government prepare a statement of productive assets and how they were arrived at and place it before the House?

The Hon'ble Sri H. C. DASAPPA.—I shall certainly consider that.

Representation to the Finance Commission re: net proceeds of the divisible taxes.

Q.—221. Sri V. M. MASCARENHAS (Retroceded Area—General).—

Will the Government be pleased to state:—

(a) whether any representation has been made to the Finance Commission recently appointed by the Government of India to determine the net proceeds of the divisible taxes between the Union and the States;

(b) the probable benefits that may accrue to the State therefrom?

A.—The Hon'ble Sri H. C. DASAPPA (Minister for Finance and Industries).—

(a) No. Occasion has not arisen as yet.

(b) Does not arise. However the question of benefit will arise only if the State's share should exceed the Revenue gap fixed as a result of Federal Financial Integration.

Sri V. M. MASCARENHAS.—With reference to answer to (a) may I know whether Mysore does not come under the purview of the Finance Commission appointed by the Government of India?

The Hon'ble Sri H. C. DASAPPA.—We have not heard officially anything about the Finance Commission. There have been some reports in the papers but we have heard nothing so far officially about the constitution of that body.

Sri V. M. MASCARENHAS.—Then my question does not arise at all.